

October 9, 2009

Statement to the Borrego Sun

Not unlike so many businesses across the country, we have been searching for new funding sources to supplement our operations. Regrettably, we have not found a new investment partner as of yet. And so, while our search continues, we have determined that in accordance with Federal law, and to provide our staff with as much advance notice as possible, we have issued 60 day WARN Act notices at Borrego Ranch Resort & Spa, and Montosoro accordingly. However, it is our sincerest hope that this measure will ultimately prove to be nothing more than precautionary.

We are extremely grateful to our entire staff. These loyal, dedicated individuals continue to support our efforts and we could not be more proud, or more fortunate, to be surrounded by such a talented, committed team. Their service propels us.

This is a challenging time for us all. The full weight of the future of our business, and the impact that our success has on our staff, and the community as a whole, is not lost upon us. We employ more than 100 hardworking staff members at our resort and residential properties. These are the neighbors, friends and members of the Borrego Springs community; all of whom have, and continue to support this community as patrons of local business, and through community service and volunteerism.

The goal of our company, and the people who stand behind it, has always been to create an experience that promotes and features the beauty of this precious desert, to build a successful, healthy business that brings prosperity and stability to this community, and offers a place for people to enjoy living and vacationing well. While we are confident that we have succeeded in this endeavor, and owe that success in large part to our excellent staff, market conditions beyond our control are at work in this situation. A corporation is a fictitious business entity. Borrego Ranch is a collection of individuals, who are in the unenviable position of facing an uncertain future.

When there is so much suffering around the globe, and people are faced with economic hardships--losing their homes, their jobs, and even their loved ones, fighting in wars across oceans, perhaps we can rally together to fortify this community, stabilize business and promote unity. We would like to thank the people of Borrego Springs for their support and compassion during this time of transition.

Sasha Itzikman
Senior Vice President
Borrego Ranch Resort & Spa
Montosoro/Borrego Ranch Residence Club